

DISADVANTAGED BUSINESS ENTERPRISE (DBE) APPLICATION INFORMATION

What are the Basic Requirements?

- **Group membership:**

If there is a reason to question whether an individual is a member of a group that is presumed to be socially and economically disadvantaged, that individual must demonstrate that he or she is a member of the group.

- **Presumption of disadvantage:**

It must be rebuttably presumed that citizens of the United States (or lawfully admitted permanent residents) who are women, Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Subcontinent Asian Americans, or other minorities found to be disadvantaged by the Small Business Administration (SBA), are socially and economically disadvantaged.

Applicants must submit a signed and notarized certification that each presumptively disadvantaged owner is, in fact, socially and economically disadvantaged.

Each individual owner of a firm applying to participate as a DBE whose ownership and control are relied upon for DBE certification is required to submit a signed and notarized statement of personal net worth, with appropriate supporting documentation. (Appropriate supporting documentation at this time is the last two years' U.S. Individual Income Tax Returns.) In determining net worth, an individual's ownership interest in the applicant firm and the individual's equity in his or her primary residence is excluded.

Firms owned and controlled by individuals who are not presumed to be socially and economically disadvantaged may apply for DBE certification. A case-by-case determination will be made of whether each individual whose ownership and control are relied upon for DBE certification is socially and economically disadvantaged. In such a proceeding, the applicant firm has the burden to establish that the individuals who own and control it are socially and economically disadvantaged. An individual whose personal net worth exceeds \$750,000 shall not be deemed to be economically disadvantaged.

- **Business Size:**

To be an eligible DBE, a firm (including its affiliates) must be an existing small business, as defined by SBA standards. Current business size standard(s) found in 13 CFR Part 121 appropriate to the type(s) of work the firms seeks to perform in DOT-assisted contracts will be applied. A firm is not an eligible DBE in any fiscal year if the firm (including its affiliates) has had average annual gross receipts over the firm's previous three fiscal years, in excess of established size standards. This amount may be adjusted for inflation from time to time.

- **Ownership:**

To be an eligible DBE, a firm must be at least 51 percent owned by socially and economically disadvantaged individuals. In the case of a corporation, such individuals must own at least 51 percent of each class of voting stock outstanding and 51 percent of the aggregate of all stock outstanding. In the case of a partnership, socially and economically disadvantaged individuals must own at least 51 percent of each class of partnership interest, and this must be reflected in the firm's partnership agreement. In the case of a limited liability company, socially and economically disadvantaged individuals must own at least 51 percent of each class of member interest.

The firm's ownership by socially and economically disadvantaged individuals must be real, substantial, and continuing, going beyond pro forma ownership of the firm as reflected in ownership documents. The disadvantaged owners must enjoy the customary incidents of ownership, and share in the risks and profits commensurate with their ownership interests, as determined by the substance, not merely the form, of arrangements.

- **Control:**

The socially and economically disadvantaged owners must possess the power to direct or cause the direction of management and policies of the firm and to make day-to-day as well as long-term decisions on matters of management, policy, and operations. A disadvantaged owner must hold the highest officer position in the company. In a corporation, disadvantaged owners must control the board of directors. In a partnership, one or more disadvantaged owners must serve as general partners, with control over all partnership decisions.

Individuals who are not socially and economically disadvantaged may be involved in a DBE firm as owners, managers, employees, stockholders, officers, and/or directors. Such individuals must not, however, possess or exercise the power to control the firm, or be disproportionately responsible for the operation of the firm.

The socially and economically disadvantaged owners of the firm may delegate various areas of the management, policymaking, or daily operations of the firm to other participants in the firm, regardless of whether these participants are socially and economically disadvantaged individuals. Such delegation must be revocable, and the socially and economically disadvantaged owners must retain the power to hire and fire any person to whom such authority is delegated.

The socially and economically disadvantaged owners must have an overall understanding of, and managerial and technical competence and experience directly related to the type of business in which the firm is engaged and the firm's operations.

What is Required?

- Complete the Application for Certification & Personal Financial Statement.
- Upon receipt of all the required forms and documents the Hawaii Department of Transportation (HDOT) staff will review the documents. The review takes about 14 days after which time an on-site review will be scheduled. The processing cannot be completed until all these documents are submitted. Additional documents may be required.
- On-site visit must be performed and will be scheduled by the HDOT staff except in cases where the HDOT has determined that prior on-site visits by other authorities are acceptable.

How Will You Know If You Are Certified?

- Upon completion of the review, you will receive a letter of certification or a denial letter explaining the reasons and the appeals procedure.
- If you are certified, the certification is valid for a maximum of three years.
- Your certification must be updated annually through the submittal of a notarized change affidavit and submittal of the firm's most recently completed U.S. Corporation, Partnership or Schedule C of the Individual Income Tax Return.
- Complete the affidavit forms and **have it notarized.**
- All items not applicable should be indicated as "N/A". The completed application forms and required documentation should be mailed to:

State of Hawaii
Department of Transportation
Office Of Civil Rights (OCR)
869 Punchbowl Street, Room 112
Honolulu, Hawaii 96813

The information requested is necessary to determine whether your firm qualifies as a DBE according to the guidelines as established by the 49 Code of Federal Regulations (CFR) 26. The federal regulations governing the DBE program may be reviewed at <http://osdbuweb.dot.gov/business/dbe/index/html>.

For further assistance contact Ms. Alicia Miyahira, Monday through Friday, 7:45 a.m. to 4:30 p.m. at 587-6333, or email alicia_miyahira@exec.state.hi.us.

Instructions for Completing the Application

Section I. - Page 5 & 6

Complete according to directions.

Section II. – Page 6 & 7

Complete according to directions.

Section III. – Page 8 & 9

- A. State the name and title of the person(s) responsible for the duties listed in numbers one (1) through eight (8).
- B. Complete if appropriate.
- C. List the salaries or method of compensation for all owners, officers, and key personnel.
- D.
 - 1. State if any owner/principal/board member/officer owns stock in a similar type of company.
 - 2. State if any owner/principal/board member/officer is a current employee, owner, or former owner of any similar type of company.
 - 3. If you checked “Yes” to either one or two above, state the person's name, name of company, number of shares owned and position held.
- E. If changes occurred, state what they are.
- F. Based on the definition, if your firm is affiliated with any other business, complete 1, 2, 3, and/or 4.

Section IV. – Page 9 & 10

- A. If your firm is certified with another agency, complete the information.
- B. If a site visit was conducted, check the “Yes” box.
- C. If your firm or any member of your firm was decertified, attach the documentation.

Section V – To be completed by professional consultants/contractors only – Page 10

Check the one(s) that pertain to you. If your type of work is not listed, check the “Other” box and explain.

Section VI – To be completed by supplier/service providers only – Page 10

If you are a supplier or service provider, check the appropriate box.

Section VII – To be completed by corporation only – Page 10

- A.
 - 1. State how many shares of stock are available and in what authorized class.
 - 2. State the amount of shares that have been issued in each class.
 - 3. List all share holders and fill in the information requested.
- B. State if there are any changes in stock ownership in the past two (2) years. If yes, explain.
- C. If there are any limitations of voting rights, check “Yes” and explain.
- D. Complete the information for all board members.

Affidavit – Page 11

Complete the form and have it notarized.

Attachments – Pages 12 & 13

Submit the paperwork requested for your type of firm, i.e. sole proprietor, partnership, etc., with your application. The processing of your application will be faster if your application is completely filled out and all required paper work is attached.

**State of Hawaii
Department of Transportation
Office of Civil Rights (OCR)
869 Punchbowl Street, Room 112
Honolulu, Hawaii 96813**

**APPLICATION FOR CERTIFICATION AS
DISADVANTAGED BUSINESS ENTERPRISE (DBE)**

SECTION I. GENERAL INFORMATION

A.	Owner/Name of qualified applicants:		
B.	1. Legal name of business		Other names used by business
	Street address		Telephone Number ()
	Mailing address if different		Fax Number ()
C.	2. Is this a home based business?		E-Mail
	3. List branch offices/subsidiaries/ affiliates address		
D.	Controlling Interest/ Basis for application (Check all applicable)	<input type="checkbox"/> Black American <input type="checkbox"/> Hispanic <input type="checkbox"/> 8(a) firm	<input type="checkbox"/> Asian Pacific American <input type="checkbox"/> Female <input type="checkbox"/> Subcontinent Asian American
			<input type="checkbox"/> Asian Indian <input type="checkbox"/> Native American <input type="checkbox"/> Other
E.	1. NAICS Code(s) _____		
	2. Applicant's Social Security Number/Firm's Federal I.D. No.		
F.	1. Applicant's percentage ownership of business:		
	2. Principal contact, title and telephone no.		
G.	Please check all applicable type(s) of business		
	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Limited Partnership	
	<input type="checkbox"/> Partnership	<input type="checkbox"/> Limited Liability Company	
	<input type="checkbox"/> Corporation	<input type="checkbox"/> Tribal Enterprise	
	<input type="checkbox"/> Other, please describe _____		
H.	Please give a brief description of your firm's business:		

I. When did the business start (mo/yr)?

Has the legal structure of the business changed since the business started	_____ Yes	_____ No
If yes, list changes and dates of change:		

J. All certifying agencies require a firm to be functional and operational. List four firms for which you have completed projects or contracts (include contracts, invoices, billing statements, etc.) for goods and services within the last two years.

Name	Telephone No.	Were you bonded		By Whom
1.		___ Yes	___ No	
2.		___ Yes	___ No	
3.		___ Yes	___ No	
4.		___ Yes	___ No	

K. List all professional or specialty licenses held:

License type	Number	Qualified/Registered party	Issuing Agency

SECTION II. FINANCIAL INFORMATION:

A. List all contributions/investments of cash, equipment, real estate, expertise, or other consideration used by each owner to acquire ownership. List the value of each contribution. For cash, show origin as joint/personal savings or checking account, loan, etc. For equipment, list the actual items, value of each piece of equipment, and proof of prior ownership. For real estate, provide a description, value, and proof of prior ownership. Provide documentation to prove all contributions, i.e. cancelled checks, deposit slips, bill of sale, purchase agreements, receipts, or other evidence for each contribution or investment made to acquire ownership in this business. **Attach additional pages if necessary.**

Name				
Equipment	\$	\$	\$	\$
Real Estate	\$	\$	\$	\$
Cash	\$	\$	\$	\$
Other	\$	\$	\$	\$
Total	\$	\$	\$	\$

B. List any additional contributions made by anyone since the business started:
(Attach additional pages if necessary)

Name	Amount
Name	Amount

C. List any assets used to acquire ownership that were received as a gift, transfer of shares, inheritance, or divorce:

List person(s) who gave it to you:	Amount and type:
------------------------------------	------------------

Explain any stipulations/conditions attached to this gift(s), transfer of shares, or inheritance when it was received:

D. Name of financial institution(s) where you have business account(s). Please identify type of account, such as checking, line of credit, etc.:

E. List all business related bank loans, notes payable, promissory notes, etc., owned by the applicant/company. Provide copies of all loans and security/collateral agreements.

Loan	Amount	Purpose	Signature(s) on Loan

Note: If signatures used to secure loan are not that of the applicant, explain the signator's relationship to this firm or to the owners:

List firm's gross receipts for each of the last three years:

Year \$ _____	Year \$ _____	Year \$ _____
--------------------	--------------------	--------------------

Provide gross receipts for each of the last three years. If the firm has been in business less than one year, provide year to date gross receipts, plus your individual tax returns for the years not in business.

SECTION III. CONTROL

- A. Responsibilities: List the name(s) of the individual(s) responsible for the following decisions:

	% of time	Name	Title	Ethnicity & Gender Status
1. Financial Decisions				
2. Office Management				
3. Management Decisions				
a. Estimating				
b. Marketing/Sales				
c. Hiring/Firing of Management Personnel				
d. Hiring/Firing of Field Personnel				
e. Major Purchasing				
1. Negotiating Bonds & Loans				
2. Supervision of Field Operations				
6. Signing for Insurance & Payroll				
7. Contract Negotiation				
8. Jobs the Company will Undertake				

- B. Does this business have key personnel insurance? If so, who is insured? Please provide dollar value of coverage for each individual:

--

- C. Indicate the annual salaries of all officers, owners, and those individuals responsible for the day to day operation of the firm. Where no salary is drawn, list the method of compensation:

Name	Title	Salary/Compensation

- D. 1. Do any of the owners/principals/board members/officers own stock in any other firm engaged in a similar type of business?

_____ Yes _____ No

2. Is any owner of the firm, or any principal/board member/officer, a current employee, owner, or former owner of the firm engaged in the same or similar type of business?

_____ Yes _____ No

3. If yes to either of the above questions, list the person's name, name of company, number of shares owned and position held with the other firm:

E. Describe and explain any changes in the duties, powers, or personnel made during the past two years with respect to owners, principals, officers, and/or directors of the firm:

F. Businesses are affiliates of each other when they share common ownership, common management/employees, common property/space, or any contractual relationship.

1. Explain common ownership:

2. Explain common management/employees:

3. Explain common property/space:

4. Explain any contractual relationship

SECTION IV. CERTIFICATION

A. Is this business currently certified as a Disadvantaged, Minority, or Women Business Enterprise by any state of local government agency? If yes, please list the agency and the expiration date.

Note: If your firm is located outside the state in which you are applying, you should first apply for and become certified in your home state. Provide a copy of your resident State certification with this application.

B. Identify any owner or management official of this firm who is or has been an employee of another firm that has an ownership interest in, or a present business relationship with this firm. (Present business relationships include shared space, equipment, financing, or employees, as well as both firms having some of the same owners.)

C. Indicate if this firm or other firms with any of the same officers have previously received or been denied certification/recertification or participation as a DBE and describe the circumstances.

Date of previous certification: _____ Or denial: _____

Name of certifying agency: _____

Circumstances: _____

SECTION V. PROFESSIONAL CONSULTANTS/CONTRACTORS:

Type of work that your firm is qualified to perform:

SECTION VI. OTHER GOODS AND SERVICE PROVIDERS:

A. Indicate type:

<input type="checkbox"/> Broker	<input type="checkbox"/> Manufacturing	<input type="checkbox"/> Dealership	<input type="checkbox"/> Service
<input type="checkbox"/> Distributor	<input type="checkbox"/> Franchise	<input type="checkbox"/> Wholesaler	
<input type="checkbox"/> Other (Please specify):			
Please list your product line(s) or service:			

SECTION VII. CORPORATIONS

If you are a corporation, please complete the following:

List the following stock information (Attach copies of stock certificates and stock transfer ledger):

	Preferred	Common	Other	
1. No. of Shares Authorized				
2. Total Shares Issued				
3. Name of all persons who issued shares (Use attachment if needed):				
Name of Shareholder	Race/Ethnic Status	Gender	Shares Owned	Class

B. Has the ownership of the stock changed in the last two years? _____ Yes _____ No If yes, explain:

C. Are there any restrictions to limit the voting rights of any shareholders within the by-laws, Articles of Incorporation, or any other document? _____ Yes _____ No. If yes, please explain:

D. Board. List all board members and their occupational title(s)

Name of Directors	Race/Ethnic Status	Title

Affidavit

The undersigned swears that he or she has read and understands this certification application and that he or she has the authority to sign this affidavit and that the application responses, the foregoing statements, and the accompanying documents are true, complete and correct and include all materials requested and/or necessary to identify and explain the ownership and operation of:

Name of Applicant Firm

The above named firm agrees:

1. To abide by the requirements of the Disadvantaged Business Enterprise Program and all of the applicable rules/regulations/policy guidelines of all entities under which the firm will hold certification.
2. To notify all entities under which the firm holds certification within ten (10) working days, of any change in the ownership, control, management status of the firm, and or any denial or decertification of this firm as a DBE by any other certifying agency.
3. That, in order to monitor the status of my firm, all entities under which the firm holds certification has the rights, from time to time, to conduct a review of the firm's books, contracts, facilities, and records and to request and review whatever other information as deemed necessary to complete such process.
4. That failure to answer any question or to supply all entities under which the firm holds certification with any documentation requested during the application process may be cause to deny the certification request.
5. That all entities under which the firm holds certification, for cause, may withdraw certification after applying own approved procedures.
6. That all entities under which the firm holds certification, for cause may deny certification or rescind certification and initiate action under Federal or State laws concerning false statements, if during or after the certification process it finds that the undersigned has submitted false, inaccurate, or misleading information.
7. That all entities under which the firm holds certification, have the right to refuse certification or rescind certification of any firm, based on the implementation of the DBE eligibility standards, despite the fact that said firm may be certified by another entity.
8. That the undersigned agrees to provide, through the prime contractor or, if no prime, directly to all entities under which the firm holds certification, current, complete, and accurate information regarding actual work performed on the project, the payment therefore, and any proposed change, if any, of the foregoing arrangements and to permit the audit and examination of books, records and files of the named firm. Any material misrepresentation will be grounds for terminating any contract which may be awarded and for initiating action under Federal or State laws concerning false statements.

By my signature, I recognize and accept the eight (8) statements above governing the consideration of the application and the maintenance of my firm's certified status.

Printed Name of Owner: _____

Owner's Signature: _____ Date: _____

On this _____ day _____ before me appeared (names of owners above who signed affidavit)

_____ to me personally known, who, being duly sworn, did execute the foregoing affidavit, and did state that he or she was properly authorized by

(Name of Firm) _____ to execute the affidavit and did so of his or her own free act and deed.

Notary Public _____ State of _____ Commission Expires _____

{Seal}

ITEMS TO BE SUBMITTED WITH APPLICATION

Documents Required	Sole Proprietor	Partnership	Corporation	Limited Liability Company (Partnership or Corporation where applicable)	Tribal Enterprise
Complete federal tax returns of the last three calendar years.	X (Form 1040 & all schedules)	X (Partnership return & all schedules & K1s)	X Corporate returns & all schedules)	X (Partnership or Corporate & all schedules)	
If a firm has never filed a tax return, submit personal tax returns (1040's) for the last three years. Also attach a schedule of salaries paid to the owner(s) and all employees and up-to-date profit and loss statement.	X	X	X	X	
Partnership agreement.		X		X	
Articles of Incorporation.			X		
Corporate by-laws.			X	X	
All Issued Stock Certificates.			X	X	
Stock Transfer Ledger.			X	X	
Minutes of all corporate stockholder and board meetings for the last three years. Also, the first organizational meeting minutes.			X	X	
Operating Agreements.				X	
Tribe's ordinance or Tribal Corporation documents establishing the business.					X
Articles on Incorporation and By-laws as filed with the organizing or chartering authority.					X
Most recent agreement for lease, equipment rental, maintenance, financing, insurance, etc.	X	X	X	X	X
If firm is SBA 8(a) certified, furnish approval letter with inclusive dates.	X	X	X	X	X
Proof of minority/gender status, i.e. birth records, tribal enrollment, driver's license, or letters supporting recognition as such in the community.	X	X	X	X	X
Notarized affidavit	X	X	X	X	X
Current resume of owner(s) and the resumes of all key personnel, including work history for the previous five (5) years—with specific dates of education, training, employment, etc	X	X	X	X	X

ITEMS TO BE SUBMITTED WITH APPLICATION

Documents Required	Sole Proprietor	Partnership	Corporation	Limited Liability Company (Partnership or Corporation where applicable)	Tribal Enterprise
Five (5) consecutive cancelled business checks –written within last three (3) months.	X	X	X	X	X
Picture Identification of all owners/principals.	X	X	X	X	X
Relevant license(s) and registration.	X	X	X	X	X
Proof of capital contributions (Items II-A)	X	X	X	X	X
Proof of capital investment in partnership, including copies of ownership options. (Items II-A)		X			
Bank signature card.	X	X	X	X	X
Listing of all owned/leased capital equipment.	X	X	X	X	X
Contracts, invoices, billing statements for four (4) completed/in-progress projects.	X	X	X	X	X